

**St Luke's Church of
England School**

**Annual Report and Financial
Statements**

31 August 2015

Company Limited by Guarantee Registration Number
07451568 (England and Wales)

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Reference and administrative information

Members	Mr Adrian R Barrett Mrs Jana Mercereau Mrs Penny C Roberts Rev Alistair C Tresidder Mr Inigo R Woolf London Diocesan Board for Schools
Governors	Mrs Penny C Roberts (Chair) Mr Adrian R Barrett (Vice-Chair) Mrs Tanya Berridge-Burley Mrs Gail Cawthorne Mrs Dagmar Davidson Ms Monica Duncan Mr Oliver Hughes Mr Ian Mackie Mrs Jana Mercereau Mr Phillip Taylor Rev Alistair C Tresidder Mrs Gillian Tyler Mr Inigo R Woolf
Company Secretary	Mrs Anna Ford
Senior Leadership Team	
Headteacher	Mrs Gillian Tyler
Assistant Headteacher	Mrs Anita Patel
KS2 Leader	Mr Robert Stephenson
Registered office	12 Kidderpore Avenue London NW3 7SU
Company registration number	07451568 (England & Wales)
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	CAF Bank Limited 25 Kings Hill Avenue West Malling Kent ME19 4JQ
Solicitors	Winckworth Sherwood LLP Minerva House 5 Montague Close London SE1 9BB

Governors' report Year to 31 August 2015

The governors of St Luke's Church of England School ("the school") present their annual report together with the financial statements and auditor's report of the charitable company for the year to 31 August 2015. The annual report serves the purposes of both a governors' report and a directors' report under company law.

The financial statements have been prepared in accordance with the accounting policies set out on pages 28 to 31 of the attached financial statements and comply with the School's memorandum and articles of association, applicable laws and the requirements of the Statement of Recommended Practice (Accounting and Reporting by Charities) (the Charities SORP) issued in March 2005.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The school is a company limited by guarantee with no share capital (Company Registration No. 07451568) and was incorporated on 25 November 2010. It became an exempt charity from 1 August 2011. The charitable company's articles of association is the primary governing document of the School.

Members' liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they cease to be a member.

Principal activities

The principal activities in the year ended 31 August 2015 were to grow the school in a way that builds on the secure foundations already laid in order to ensure good education for the children of St Luke's School.

Significant actions and milestones were:

1) The achievements of pupils

- ◆ Attainment was above national average for all year groups (85% GLD, 93% Phonics, 86% 2b+ in all core areas) which represents excellent progress for all cohorts.
- ◆ Children receiving pupil premium funding made similar progress to other children - and sometimes they made better progress.
- ◆ St Luke's children were successful in Camden schools sports events including a tennis tournament and cross-country race.
- ◆ St Luke's children benefited from a wide range of enrichment opportunities including singing at the Royal Albert Hall as part of the Prom Praise for Schools celebration.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Principal activities

- 2) *The continued development of the staff team*
 - ◆ The developing role of assistant headteacher and the appointment of a head of key stage 2 have had a positive impact on the quality of teaching, ongoing curriculum development, and new ways of assessing pupils.
 - ◆ Very low staff turnover has helped the development of the ethos of the school, the 'family' feel, the consistency of practice across all classes, and the strength of relationships between staff, children and parents.

- 3) *The development of a positive local reputation*
 - ◆ The school was 9 times oversubscribed for September 2015 entry.
 - ◆ The school is an active member of the local family of schools, participating in staff CPD events and collaborative and competitive opportunities for pupils.
 - ◆ The headteacher and governors investigated the possibility of expanding the school onto an adjacent plot of land that they hoped might be available. Unfortunately this proved not possible but the experience provided many opportunities for engagement for the local community and showed high levels of support and positive feeling towards the school from a wide range of local residents.

- 4) *The successful opening of the key stage 2 class*
 - ◆ The school continues to grow at a rate of one cohort each year. In the 2014-15 academic year the first cohort reached key stage 2.
 - ◆ The children enjoyed a broader curriculum and new opportunities: for example they developed their enterprise skills by making biscuits and selling them at Camden market.

- 5) *Governor support for the policy review and embedding cycle*
 - ◆ This was identified as a school and governance priority in the self-evaluation of Summer 2014 and incorporated as a priority for governors in the 2014-15 planning.
 - ◆ Governors received training in September 2014 which covered how to use school visits to support policy review and to help the school to assess whether policies are being consistently implemented and whether they are effective.
 - ◆ Over the course of the year each governor visited the school at least once, many visited more often, and the policy review timetable was met.

Governors' report Year to 31 August 2015

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Governors

The governors are directors of the charitable company for the purposes of the Companies Act. Fourteen governors were in office at 31 August 2015, thirteen of whom served throughout the year. One new governor was appointed with effect from the date shown below.

Governor	Appointed/Resigned
Mrs Penny C Roberts (Chair)	
Mr Adrian R Barrett (Vice-Chair)	
Mrs Tanya Berridge-Burley	
Mrs Gail Cawthorne	
Mrs Dagmar Davidson	Appointed 17 December 2014
Ms Monica Duncan	
Mr Oliver Hughes	
Mr Assaf Lennon	Deceased 11 October 2015
Mr Ian Mackie	
Mrs Jana Mercereau	
Mr Phillip Taylor	
Rev Alistair C Tresidder	
Mrs Gillian Tyler (ex officio)	
Mr Inigo Woolf	

Governors' indemnities

In accordance with normal commercial practice, the School has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on School business. The insurance provided cover up to £5m for fraud and dishonesty and £5m for employment practices on any one claim and the cost for the period ended 31 August 2015 was £78 (2014 - £58).

Method of recruiting and appointing governors

The articles of association provide for the appointment or election of governors as follows:

- ◆ 7 'community governors', nominated by The Parochial Church Council of the Parish of St Luke West Hampstead, including the Vicar;
- ◆ 1 LDBS representative;
- ◆ 2 elected parent governors;
- ◆ the Headteacher;
- ◆ 1 elected staff representative; and
- ◆ up to 3 co-opted governors.

As at 31 August 2015 the governing body is complete.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Policies and procedures adopted for the induction and training of governors

Together the governors are a committed group with wide ranging experienced and a balance of essential skills. A large proportion of governors have been involved with the school since before it opened in 2011 and all the governors have a strong shared vision for the school and fully support the school's mission statement and aims.

One new governor joined the board in 2014-15 and she completed a governor's induction course run by the LDBS.

Since its inception the governing body has included a training or development item on the agenda for each meeting, and they are led either by an external expert or by an appropriately skilled staff member or governor. In the 2014-15 academic year the whole governing body received training on making best use of school visits, SEND policy and changes, and RAISE online.

In addition many governors enrol individually for courses which are run by the Camden Training and Development Centre or the LDBS. Courses and conferences attended in 2014-15 ranged from safeguarding to freedom of information and data protection. Governors have an opportunity to provide feedback from courses when appropriate, including raising matters that need to be considered by the whole governing body.

Organisational structure

The full governing body met 5 times in the year to 31 August 2015.

The Resources committee met 4 times and led on issues related to the buildings, finances and health and safety. The School Improvement Committee met 3 times and led on issues related to teaching and learning and school ethos. All governors are on one of these two committees.

A standing committee has been formed to make urgent decisions if needed between full governing body meetings. This committee did not meet in the year to 31 August 2015.

Risk management

The school's risk register has been embedded within the School Evaluation and Development Report (SEDR). This is an active document which captures the school's self evaluation and the school's development plan. Embedding the risk register within this document has meant that each committee and the full governing body is aware of the risks at each meeting when the SEDR is reviewed, and the school's priority actions are set according to the risks.

Connected organisations, including related party relationships

In order to pursue its objects, the School has entered into a formal agreement with the Secretary of State for Education regarding the funding of the School and the management of affairs of the School.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Connected organisations, including related party relationships (continued)

The School and St Luke's Church have signed a Licence under Faculty which sets out the parameters for the use of the School and that which is still a Church-owned building.

The School will purchase some Service Level Agreement (SLA) support from LDBS where that represents best value.

The School retains a close relationship with both the LDBS and St Luke's Church.

OBJECTIVES AND ACTIVITIES

Objects, aims and objectives

The Chair of Governors wrote to the parents of the School in July 2015 to summarise the active role that the governors had played over the year and to capture some of the key elements of the school's developing journey. The letter is repeated here because it gives a good flavour of the range and nature of activities undertaken by governors at St Luke's School.

If you've joined us this year for a class assembly, if you've heard Mrs Tyler speaking at a school event or if you've read some of the displays around the school you will probably already know that 'secure foundations' are one of the heartbeats of the school. Secure foundations are something we want for every St Luke's boy and girl, to equip them for life.

At the end of each school year it is a privilege to write to parents on behalf of the governing body to reflect on the year that has passed and to look ahead to the next. Since the school opened in 2011 each year has been different, with its own challenges and joys. Each year the staff and governors have worked extremely hard to lay a whole range of secure foundations and this year we can celebrate our fourth year as one where the hard work felt as if it was beginning to pay off!

*It is obviously important to make sure that our children lay secure **academic foundations** and a good grounding in all the core subjects so that when they leave to go to secondary school they have all the skills and knowledge they need to thrive. I am delighted that children in every year group have made such excellent progress again this year and it's been particularly lovely to see the children enjoying the breadth of the Key Stage 2 curriculum. The children have benefited from the ongoing hard work and 'foundation-laying' of the staff, for example through Ms Milne's work as a moderator for Maths across other schools in Camden, or through Mr Stephenson's work in piloting the new Science assessment programme.*

OBJECTIVES AND ACTIVITIES (continued)

Objects, aims and objectives (continued)

*Important as academic foundations are, they are just one part of school life. At St Luke's School we also believe that **social foundations** are very important. Mrs Tyler has led every adult in the school community to establish consistent routines and habits that will help children to lay strong social foundations and to develop the resilience and adaptability to get on in a community where everyone is different and unique. Of course we know that this can sometimes be a more difficult lesson than Maths or English, but it has been lovely this year to see children learning to comfort each other when someone is sad, to celebrate when someone else succeeds at something for the first time, and to be so welcoming and courteous to visitors.*

*Children also have every opportunity to lay **spiritual foundations** – a sense of curiosity and awe and wonder at the world around, space within the school day to reflect, and a secure framework that lays the foundations for life lived to the full. We are very grateful to Alistair (Vicar) and Sheena for their significant contribution to the life of the school.*

Sometimes the business on our governors' meeting agendas looks a long way from the real work of the school, but we like to think we are helping to lay foundations for a secure future for the school.

Every school wants to make its money work as hard as possible. As a very small school we will always be vulnerable when there are national changes to funding, and we already know that our funding per pupil will not rise for the next five years even though our costs are likely to rise in the same period. We are very grateful to parents who have helped with fundraising this year and we know this will be invaluable going forward.

We would also like to thank parents who have supported us this year as we have worked with local Redfrog residents and others to try to expand the school onto the Kings College London site. Although the outcome is still far from certain, letters to the developer and local councillors have made a difference in raising awareness. Whatever the outcome, it has been very encouraging to hear lovely feedback about the school from members of the community and residents about the positive impact of the school, and heartening to find that St Luke's School is held in high regard. We would particularly like to thank all those parents who walk to school or use public transport rather than driving, and of course the children whose sensible behaviour on the way to and from school does not go unnoticed!

On behalf of the Governing Body I would like to extend good wishes for a happy and relaxing summer break, and we look forward to welcoming you and your child back to St Luke's School in September.

PRoberts

Penny Roberts

Chair of Governors

Governors' report Year to 31 August 2015

OBJECTIVES AND ACTIVITIES (continued)

Public Benefit

The governors have considered the advice published by the Charity Commission in relation to Public Benefit and are satisfied that the School meets the requirements through the provision of state-funded education for local children.

STRATEGIC REPORT

Achievements and performance

Headteacher's summary of academic year 2014-15

Background and Context

- ◆ St Luke's School (SLS) is a free school, which opened in September 2011 to help meet a local shortage of primary places - families are admitted on proximity.
- ◆ The demographic profile of children at St Luke's is similar to that of the local authority, except for those children receiving Pupil Premium funding.
- ◆ SLS is growing one year group at a time and at capacity will accommodate 105 children - 15 in each year, with Y1 to Y6 taught in 3 mixed age classes (1/2, 3/4, 5/6). During 2014-15 there were 60 children on the school roll.
- ◆ The school works closely with the London Diocese Board for Schools and the local authority, with regular monitoring of standards from both.
- ◆ School inspections - SIAMS September 2012 (Outstanding) and Ofsted July 2013 (Good).
- ◆ Since opening, the school has based all its policies, procedures and practice, on the values adopted by the school community - "*secure foundations ♦ excellent practice ♦ faith, hope and love*".
- ◆ Whilst continuing to build on and embed the excellent practice built up over the last 4 years, we are also looking ahead - an overview of the SLS Roles, Responsibilities and Opportunities from Year R to 6 was shared at the Parents' Open Evening in July 2015 and a staffing structure drawn up with Governors, based on succession planning (through developing our staff from within and through partnership work).
- ◆ SLS was nine times oversubscribed for September 2015. For this reason, over the last academic year, the school community has been actively seeking the opportunity to expand on to the adjacent Kings College site, in order to become a one form entry school.

Leadership and management over 2014-15

- ◆ Development of senior and middle (subject) through internal/external CPD and succession planning to enable progression of the school as it moves from younger children base to full KS2.

Governors' report Year to 31 August 2015

STRATEGIC REPORT (continued)

Achievements and performance (continued)

Headteacher's summary of academic year 2014-15 (continued)

Leadership and management over 2014-15 (continued)

- ◆ Development of inclusion policy and practice in order to be inline with the new statutory requirements and to best support children and their parents.
- ◆ Broad, balanced, value-embedded school curriculum compiled with staff - based on new National Curriculum and incorporating school and British values. Comprehensive after school programme of curriculum and sports clubs. Excellent musical opportunities for size of school and developing sporting opportunities including competitive sports.
- ◆ Leaders played a wider role across other schools and institutions over 2014-15: Camden Maths Moderator, LDBS RE working group, UCL Reading Research Project, joint founder North London Free School Headteachers' Network, Chair of Governors advising opening free schools.
- ◆ Governors were able to provide effective support and challenge through the policy review and compilation of GB annual responsibilities cycle. Please see attached Governor's Annual Report to Parents (on pages 6 and 7).

Outcomes for children and learners

- ◆ As in past years, our externally moderated baseline assessments showed children entered SLS in September 2104 at below age expectations. However, the 85% of children reaching a 'Good Level of Development' by the end of the Reception year (July 2015) was well above national average.
- ◆ Over 2014-15, children in all year groups made very good progress and achieved above the national average, both in internal and statutory assessments (Phonics: 93% at required standard, compared to 77% national, KS1 SATS: 93/86/93% 2b+ in Reading/Writing/Maths, compared to 82/72/82 national).
- ◆ Tracking showed that all groups made similar progress across the year (interventions and targeted support ensured vulnerable children made very good progress compared to national).

Quality of Teaching, learning and assessment

- ◆ Teaching over 2014-15 was solidly good and improving - this judgement was based on regular monitoring of standards by SLT and verified by external advisors.
- ◆ 100% of parents agreed (with 81% agreeing strongly) that their child was taught well over the year.

Governors' report Year to 31 August 2015

STRATEGIC REPORT (continued)

Achievements and performance (continued)

Headteacher's summary of academic year 2014-15 (continued)

Quality of Teaching, learning and assessment (continued)

- ◆ Particular strengths of the quality of teaching and learning were:
 - staff team constantly seeking to improving own practice and to learn from one another;
 - high expectations, warm and supportive relationships and well embedded classroom routines;
 - skilled support staff who are able to support, enrich and extend children's learning; and
 - high quality provision for children with additional needs and those of higher ability.

Personal Development, Behaviour and Welfare

- ◆ Camden Safeguarding and Behaviour Audit (Feb 2015): *"St Luke's pupils are kept safe through policies and practices which are consistently followed. Behaviour of the pupils is very good, both in the classroom and around the school, with all showing a high level of respect for each other and those that teach and care for them e.g. headteacher, teachers, support and lunchtime staff. Attendance and punctuality is very good and above national average."* (2014-15 Attendance - 96.4%.)
- ◆ Staff know the children and their families well and there is a great emphasis on the promotion of personal and social development of children. Over 2014-15, there was a focus on planning opportunities for Personal Development, through SLS value-embedded curriculum and 'Roles Responsibilities and Opportunities Overview for Year R to 6'.

Feedback from Stakeholders – July 2015 surveys

- ◆ Parents are very positive and note in particular their child's wellbeing, teaching and leadership (100% agree, with 80+% strongly agreeing) - they want the good quality of education to remain as the school grows and to develop the sports and after-school provision.
- ◆ Children feel safe at SLS, they enjoy school, playtime, learning new things and think other children are friendly – they would like more equipment outside.
- ◆ Staff noted new leadership structures, team spirit/staff morale, the progress & nurturing of the children as strength – requesting time/CPD to firmly embed new roles.

Governors' report Year to 31 August 2015

STRATEGIC REPORT (continued)

Achievements and performance (continued)

Headteacher's summary of academic year 2014-15 (continued)

Feedback from Advisors over 2014-15

- ◆ Camden professional partner R.Swain (Professional Partner - Nov 14) "*St Luke's is a warm, happy and welcoming school, where everyone appears valued and respected.... there is a positive learning atmosphere in all classes*".
- ◆ Independent consultant A.Read (HMI, UK Education - Dec 14) "*A strength of the school is the way that high quality teaching ..targets the deeper-thinking skillsLearners need opportunity to fail and experiment, to gain confidence in their own understanding, and St Luke's is nurturing this process very well.*"
- ◆ LDBS D.Gosling (HMI - March 15):"*The evidence points to a very well-organised and effective school, which has made considerable progress since the last Ofsted inspection.*"

Financial review

Financial report for the period

A summary of the results for the period are included on page 25.

The school's income in the year ended 31 August 2015 was obtained from the EFA and the DfE in the form of revenue, capital and other grants. The grants received during the year and the associated expenditure are shown as restricted funds in the statement of financial activities.

Total income for the year was £662,575 (2014 - £600,614), which included £52,549 (2014 - £53,758) in capital grant funding and £585,310 (2014 - £476,833) in revenue grants.

Total expenditure for the year was £688,961 (2014 - £566,889), of which £673,547 (2014 - £543,250) was educational operation expenditure, £4,204 (2014 - £nil) was costs of generating voluntary income and £11,210 (2014 - £13,639) was on governance costs.

The net movement in funds, was a decrease of £25,386 (2014 – increase of £36,725).

Reserves policy

The reserves policy is monitored by the Resources Committee and in particular the lead governor for finance and her deputy.

Governors' report Year to 31 August 2015

STRATEGIC REPORT (continued)

Financial review (continued)

Reserves policy (continued)

The 7-year revenue budget that was drawn up in 2010/11 has been developed into a 3-year budget that governors will monitor annually. This budget includes a modest annual reserve.

As at 31 August 2015, the School's revenue reserves comprised £53,516 of unrestricted funds, £22,304 of restricted general funds net of a pension liability of £19,000 and £1,119,220 of other restricted fixed asset funds. The governors believe that these reserves are adequate, but not excessive, in the above context.

Investment policy

The governors' investment powers are governed by the articles of association, which permits the school's funds, not immediately required, to be invested in furtherance of its objects after obtaining expert financial advice. The school did not engage in any investment of surplus funds during the year under review.

Going concern

The 7-year revenue budget is set on the basis of income that is anticipated under the funding agreement and using the 'income calculator' provided by the DfE for this purpose. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties that governors will monitor in 2015/16 include:

- ◆ staffing;
- ◆ budget;
- ◆ pupil applications;
- ◆ pupil progress;
- ◆ contingency planning; and
- ◆ embedding policies, procedures and practices.

Governors' report Year to 31 August 2015

FUTURE ACTIVITIES AND PLANS

Over the next year the school plans to:

- ◆ To develop a more systematic approach by all leaders in order to ensure accountability.
- ◆ To further develop the Middle Leadership team's ability to effectively monitor standards in their subjects.
- ◆ To develop St Luke's School assessment practice - ensuring judgements are accurate and consistent and that good assessment practice improves quality of teaching and learning.
- ◆ To support staff in developing their teaching practice in new key stages.
- ◆ As staff team increases, to ensure a shared understanding of what is best Teaching and Learning looks like at SLS.
- ◆ To develop children's depth of understanding and skills of problem solving, reasoning, comprehension.
- ◆ To further develop the school premises and ensure we are fully prepared for Upper KS2.
- ◆ To gain Camden Healthy Schools status and continue to focus on attendance & welfare of Pupil Premium children.

AUDITOR

In so far as the governors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Governors' report, incorporating a strategic report, approved by order of the members of the board of governors on 1 December 2015 and signed on its behalf by:



Penny C Roberts
Chair

Governance statement 31 August 2015

Scope of responsibility

As governors, we acknowledge we have overall responsibility for ensuring that the St Luke's Church of England School has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The governing body have delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between the Academy and the Secretary of State for Education. The Headteacher is also responsible for reporting to the governing body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the governors' report and in the statement of governors' responsibilities. The governing body has formally met five times during the year. Attendance during the year at meetings of the governing body was as follows:

Governor	Number of meetings attended	Out of a possible
Mrs Penny C Roberts (Chair)	5	5
Mr Adrian R Barrett (Vice-Chair)	5	5
Mrs Tanya Berridge-Burley	5	5
Mrs Gail Cawthorne	5	5
Mrs Dagmar Davidson (Appointed 17/12/14)	3	3
Ms Monica Duncan	3	5
Mr Oliver Hughes	5	5
Mr Assaf Lennon	4	5
Mr Ian Mackie	5	5
Mrs Jana Mercereau	4	5
Mr Phillip Taylor	4	5
Rev Alistair C Tresidder	4	5
Mrs Gill Tyler (ex officio)	5	5
Mr Inigo Woolf	0	5

The governing body has continued to benefit from stability and attendance over the year was 90%. Governors remain active between meetings, visiting the school, attending training and actively supporting policy review.

Governance review

The governors carried out a skills audit and self-evaluation in July 2015 and weaknesses will be incorporated into training and targets for the next academic year. Having focused on policy review and school visits in 2014-15, governors plan to embed their work in this area in 2015-16 and additionally to become better informed about education policy and practice.

Governance statement 31 August 2015

Governance (continued)

Resources Committee

The Resources Committee is a Committee of the main governing body. Its purpose is to exercise responsibility for and oversight over the following:

- (a) The overall finances of St Luke's Church of England School, including:
 - ◆ The annual budget (for recommendation to the governing body) and monitoring of that budget;
 - ◆ Governors fund (if any);
 - ◆ Charging policy; income generation policy; lettings policy;
 - ◆ Financial procedures (including compliance with the DfE Guidance); delegation of spending authority and virement policies;
 - ◆ Policy and decisions regarding contracts and service level agreements;
 - ◆ Insurance arrangements; and
 - ◆ Governors expenses policy.
- (b) The Premises of the St Luke's Church of England School, including:
 - ◆ Annual Maintenance and Improvement programme;
 - ◆ Any further capital projects;
 - ◆ Health & Safety in relation to premises, including site security;
 - ◆ Access;
 - ◆ Premises insurance;
 - ◆ Issues relating to the co-location with St Luke's Church; and
 - ◆ Issues relating to the licence between St Luke's School and St Luke's Church.
- (c) The Personnel of St Luke's Church of England School, including:
 - ◆ Staff recruitment procedures;
 - ◆ Staff Appointments procedures;
 - ◆ Equal Opportunities;
 - ◆ Employment contractual matters;
 - ◆ Pay policy; and
 - ◆ Staff well-being.
- (d) Key Targets agreed by the governing body for St Luke's Church of England School in respect of any of the above areas
- (e) Any other matters referred to it by the governing body

Governance statement 31 August 2015

Governance (continued)

The Resources Committee attendance was as follows:

Governor	Number of meetings attended	Out of a possible
Jana Mercereau (Chair)	4	4
Gail Cawthorne	4	4
Oliver Hughes	3	4
Assaf Lennon	3	4
Phillip Taylor	3	4
Gillian Tyler	4	4

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the school's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place at the school for the year ended 31 August 2015 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The governing body has reviewed the key risks to which the school is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The governing body is of the view that there is an ongoing process for identifying, evaluating and managing the school's significant risks that has been in place for the year ended 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the governing body.

Review of value for Money

As Accounting Officer the Headteacher has responsibility for ensuring that the school delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the school's use of its resources has provided good value for money during the academic year, and reports to the board of trustees where value for money can be improved, including the use on benchmarking data where available. The Accounting Officer for the school has delivered and improved value for money during the year by:

Working with local private schools to generate income and reduce costs:

- ◆ Generation of income from renting of school hall to St Margaret's School during school day, when not in use by St Luke's children (September 2014 to May 2015).

Governance statement 31 August 2015

Review of value for Money (continued)

- ◆ Reduction of costs - nominal fee for use of UCS School's swimming pool for St Luke's children (September 2014 to April 2015).

- ◆ Reduction of costs - free use of South Hampstead High School for Girls' sports field for St Luke's Sports Day (July 2015).

Purchasing of financial management and school support packages through the LDBS rather than directly in order to reduce costs.

The risk and control framework

The school's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- ◆ comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the governing body;

- ◆ regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;

- ◆ setting targets to measure financial and other performance;

- ◆ clearly defined purchasing (asset purchase or capital investment) guidelines;

- ◆ delegation of authority and segregation of duties;

- ◆ identification and management of risks.

The governing body has recognised the need for an independent oversight of the school's financial affairs, to support the external auditors as well as the business manager. Andy Bagshaw, a chartered accountant, was the responsible officer at the start of the year. His role was to work closely with the business manager to ensure that the standards outlined in the Financial Regulations Manual are adhered to and any irregularities are addressed. Unfortunately he was not able to complete any checks during the year as planned and so the governors are currently in the process of appointing a new person to complete a programme of work. Given the size of the current operations, the governors consider that they have gained adequate assurance over the systems through the reports of the headteacher, who is involvement on a day to day basis in the operations, and the outcome of the external audit work.

Review of effectiveness

As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question, the review has been informed by:

- ◆ the work of the responsible officer;

- ◆ the work of the external auditor;

Governance statement 31 August 2015

Review of effectiveness (continued)

- ◆ the financial management and governance self assessment process; and
- ◆ the work of the Senior Leadership Team within the school who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the resources committee and a plan to address recommendations and ensure continuous improvement of the system is in place.

Approved by order of the governing body and signed on their behalf by:



Penny C Roberts
(Chair of Governing Body)



Gillian Tyler
(Headteacher and
Accounting Officer)

Approved on: 01/12/15

1.12.15

Statement on regularity, propriety and compliance 31 August 2015

As Accounting Officer of St Luke's Church of England School, I have considered my responsibility to notify the School governing body and the EFA of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the School and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the school governing body are able to identify any material irregular or improper use of funds by the school, or material non-compliance with the terms and conditions of funding under the school's funding agreement and the Academies Financial Handbook.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of governors and EFA.



Gillian Tyler
Accounting Officer

Date: 1-12-15

Statement of governors' responsibilities 31 August 2015

The governors (who act as trustees of the school and are also the directors of the Academy for the purposes of company law) are responsible for preparing the governors' report and the financial statements in accordance with the Annual Accounts Requirements issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the governors to prepare financial statements for each financial year. Under company law, the governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the school and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the governors are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Charities' Statement of Recommended Practice (the Charities' SORP);
- ◆ make judgments and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the School will continue in operation.

The governors are responsible for keeping proper accounting records that are sufficient to show and explain the School's transactions and disclose with reasonable accuracy at any time the financial position of the School and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the School and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The governors are responsible for ensuring that in its conduct and operation the School applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/DfE have been applied for the purposes intended.

The governors are responsible for the maintenance and integrity of the charity and financial information included on the school's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Board of governors on 1 December 2015 and signed on its behalf by:



Penny C Roberts
Chair of the Governing Body

Independent auditor's report Year to 31 August 2015

Independent auditor's report on the financial statements to the members of St Luke's Church of England School

We have audited the financial statements of St Luke's Church of England School for the year ended 31 August 2015 which comprise the statement of financial activities, the balance sheet, the cash flow statement, the principal accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

This report is made solely to the School's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the School's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the school and the school's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of governors and auditor

The governors act as trustees for the charitable activities of St Luke's Church of England School and are also the directors of the school for the purpose of company law.

As explained more fully in the statement of governors' responsibilities, the governors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the school's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the governors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the governors' report, including the strategic report, to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Independent auditor's report Year to 31 August 2015

Opinion

In our opinion:

- ◆ the financial statements give a true and fair view of the state of the School's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- ◆ the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- ◆ the financial statements have been prepared in accordance with the Companies Act 2006; and
- ◆ the financial statements have been prepared in accordance with the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the governors' report, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- ◆ adequate accounting records have not been kept; or
- ◆ the financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of governors' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit.



Avnish Savjani, Senior Statutory Auditor
for and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

10 December 2015

Independent reporting accountant's report Year to 31 August 2015

Independent reporting accountant's assurance report on regularity to St Luke's Church of England School and the Education Funding Agency

In accordance with the terms of our engagement letter dated 28 November 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by St Luke's Church of England School during the period from 1 September 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to St Luke's Church of England School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the St Luke's Church of England School and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the St Luke's Church of England School and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of St Luke's Church of England School's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of St Luke's Church of England School's funding agreement with the Secretary of State for Education dated 7 April 2011 and the Academies Financial Handbook, extant from 1 September 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2014 to 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period from 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

Independent reporting accountant's report Year to 31 August 2015

Approach (continued)

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

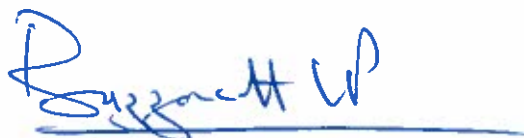
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the School's income and expenditure.

The work undertaken to draw to our conclusion includes:

- ◆ An assessment of the risk of material irregularity and impropriety across all of the school's activities;
- ◆ Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- ◆ Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period from 1 September 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Statutory Auditor
Buzzacott LLP
130 Wood Street
London
EC2V 6DL

10 December 2015

Statement of financial activities Year to 31 August 2015
(including the income and expenditure account)

	Notes	Restricted funds			2015 Total funds £	2014 Total funds £
		Unrestricted general funds £	Restricted general funds £	Fixed assets fund £		
Incoming resources						
Incoming resources from generated funds						
. Voluntary income		3,350	—	—	3,350	10,798
. Activities for generating funds	1	15,047	—	—	15,047	23,773
. Investment income		290	—	—	290	244
Incoming resources from charitable activities						
. Funding for the school's educational operations	2	6,029	585,310	52,549	643,888	565,799
Total incoming resources		24,716	585,310	52,549	662,575	600,614
Resources expended						
<i>Cost of generating funds</i>						
. Costs of generating voluntary income	3	4,204	—	—	4,204	—
Charitable activities						
. School's educational operations	4	11,381	587,132	75,034	673,547	543,250
Governance costs	5	—	11,210	—	11,210	13,639
Total resources expended	3	15,585	598,342	75,034	688,961	556,889
Net (outgoing) incoming resources before transfers		9,131	(13,032)	(22,485)	(26,386)	43,725
Transfers between funds	13	—	(1,684)	1,684	—	—
Net (expenditure) income for the year		9,131	(14,716)	(20,801)	(26,386)	43,725
Other recognised gains or losses						
Actuarial gain (loss)	21	—	1,000	—	1,000	(7,000)
Net movement in funds		9,131	(13,716)	(20,801)	(25,386)	36,725
Fund balances brought forward at 1 September 2014		44,385	36,020	1,140,021	1,220,426	1,183,701
Fund balances carried forward at 31 August 2015		53,516	22,304	1,119,220	1,195,040	1,220,426

All of the school's activities derived from continuing operations.

A separate statement of recognised gains and losses is not required as all gains and losses are included in the statement of financial activities.

There is no difference between the net movement in funds stated above and its historical cost equivalent.

Balance sheet 31 August 2015

	Notes	2015 £	2015 £	2014 £	2014 £
Fixed assets					
Tangible assets	10		1,119,220		1,140,021
Current assets					
Debtors	11	25,690		78,842	
Cash at bank		146,301		117,321	
		<u>171,991</u>		<u>196,163</u>	
Creditors: amounts falling due within one year	12	<u>(77,171)</u>		<u>(106,758)</u>	
Net current assets			<u>94,820</u>		<u>89,405</u>
Total assets less current liabilities			<u>1,214,040</u>		<u>1,229,426</u>
Pension scheme liability	21		(19,000)		(9,000)
Net assets including pension scheme liability			<u>1,195,040</u>		<u>1,220,426</u>
Represented by:					
Funds and reserves					
Restricted funds					
. Fixed assets fund	13		1,119,220		1,140,021
. Pension reserve	13		(19,000)		(9,000)
. Restricted general funds	13		41,304		45,020
			<u>1,141,524</u>		<u>1,176,041</u>
Unrestricted funds					
. General funds	13		53,516		44,385
Total funds	14		<u>1,195,040</u>		<u>1,220,426</u>

Approved by the governors of St Luke's Church of England School (Company Registration No. 07451568) (England and Wales) and signed on their behalf by:

P Roberts

Penny C Roberts
Chair of the Governing Body

Approved on: 01/12/15

Cash flow statement Year to 31 August 2015

	Notes	2015 £	2014 £
Net cash inflow from operating activities	16	30,374	70,470
Return on investment and servicing of finance	17	290	244
Capital expenditure	18	(1,684)	(28,051)
Increase in cash in the period	19	28,980	42,663
Reconciliation of net cash flow to movement in net funds			
Net funds at 1 September 2014	19	117,321	74,658
Net funds at 31 August 2015	19	146,301	117,321

Principal accounting policies Year to 31 August 2015

Basis of preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission Statement of Recommended Practice (Accounting and Reporting by Charities) (the Charities SORP), the Academies Accounts Direction 2014 to 2015 issued by the EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Going concern

The governors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the School to continue as a going concern. The governors make this assessment in respect of a period of one year from the date of approval of the financial statements.

Incoming resources

All incoming resources are recognised when the School has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants receivable

Grants are included in the statement of financial activities (SOFA) on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Donations

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

Other income

Other income is recognised in the period it is receivable.

Gifts in kind

The value of gifts in kind provided to the School are recognised at a valuation attributed by the governors in the period in which they are receivable as incoming resources, where the benefit to the School can be reliably measured.

Principal accounting policies Year to 31 August 2015

Resources expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Costs of generating funds

These are costs incurred in attracting voluntary income.

Charitable activities

These are costs incurred on the School's educational operations.

Governance Costs

These include the costs attributable to the School's compliance with constitutional and statutory requirements, including audit, strategic management and Governor's meetings and reimbursed expenses.

Tangible fixed assets

All assets costing more than £1,000, and with an expected useful economic life exceeding one year, are capitalised as fixed assets and are carried at cost net of depreciation. All professional fees and other associated costs incurred as part of the capital development works have been capitalised during the period.

Where tangible fixed assets have been acquired with the aid of specific grants, the related grants are credited to the restricted fixed assets fund in SOFA and are carried forward in the balance sheet. Depreciation on these assets are charged to the restricted fixed assets fund in the SOFA so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the School's depreciation policy.

Depreciation is charged in the year in which the asset is brought into use at the following annual rates:

- | | |
|------------------------------------|----------------------------------------------------------------|
| ◆ School buildings | 25 years on a straight line basis over the length of the lease |
| ◆ Computer equipment | 3 years on a straight line basis |
| ◆ Furniture, fixtures and fittings | 5 years on a straight line basis |

Principal accounting policies Year to 31 August 2015

Taxation

The School is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the School is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Fund accounting

Unrestricted funds represent monies which may be used towards meeting any of the charitable objects of the School at the discretion of the governors.

The restricted fixed assets fund is for resources which are to be applied to specific capital purposes with conditions imposed by the providers.

The restricted general funds comprise all other restricted funds received and include grants from the DfE and the EFA.

Pensions benefits

Retirement benefits to employees of the School are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the School.

The School also contributes to defined contribution personal pension schemes. Contributions in respect of these pension schemes are recognised in the statement of financial activities in the year in which they are payable to the relevant scheme.

Teachers' Pension Scheme

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the School in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 21, the TPS is a multi employer scheme and the School is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

Local Government Pension Scheme

Non teaching members of staff are offered membership of the Local Government Scheme (LGPS). The LGPS is a defined benefit pension scheme and is able to identify the School's share of assets and liabilities and the requirements of FRS 17, Retirement Benefits, have been followed.

Principal accounting policies Year to 31 August 2015

Pensions benefits (continued)

Local Government Pension Scheme (continued)

The School's share of the LGPS assets are measured at fair value at each balance sheet date. Liabilities are measured on an actuarial basis using the projected unit method. The net of these two figures is recognised as an asset or liability on the balance sheet. Any movement in the asset or liability between balance sheet dates is reflected in the statement of financial activities.

Notes to the financial statements Year to 31 August 2015

1 Activities for generating funds

	Unrestricted funds £	Restricted funds £	2015 Total funds £	2014 Total funds £
Hire of facilities	5,064	—	5,064	6,858
Catering income	6,016	—	6,016	14,532
Miscellaneous income	3,967	—	3,967	2,383
	<u>15,047</u>	<u>—</u>	<u>15,047</u>	<u>23,773</u>

2 Funding for school's educational operations

	Unrestricted funds £	Restricted funds £	31 August 2015 £	31 August 2014 £
DfE/EFA grants				
. General Annual Grant (GAG) (note 13)	—	410,136	410,136	340,870
. Pupil Premium	—	8,328	8,328	7,286
. Start Up grants	—	65,715	65,715	87,620
. Other grants	—	22,354	22,354	26,057
. DfE capital grant	—	52,549	52,549	53,758
. Universal infant free school meals	—	15,514	15,514	—
. Rent grant	—	22,300	22,300	22,300
	<u>—</u>	<u>596,896</u>	<u>596,896</u>	<u>537,891</u>
Other government grants				
. Local authority grants	—	40,963	40,963	15,000
Other				
. Insurance claims	—	—	—	7,517
. Other	6,029	—	6,029	5,391
	<u>6,029</u>	<u>—</u>	<u>6,029</u>	<u>12,908</u>
	<u>6,029</u>	<u>637,859</u>	<u>643,888</u>	<u>565,799</u>

Notes to the financial statements Year to 31 August 2015

3 Resources expended

	Staff costs (note 6) £	Non pay expenditure		31 August 2015 £	31 August 2014 £
		Premises £	Other costs £		
Costs of generating voluntary income	—	—	4,204	4,204	—
School's educational operations:					
.. Direct costs	352,660	75,034	42,320	470,014	344,408
.. Allocated support costs	84,273	53,453	65,807	203,533	198,842
	<u>436,933</u>	<u>128,487</u>	<u>108,127</u>	<u>673,547</u>	<u>543,250</u>
Governance costs	—	—	11,210	11,210	13,639
	<u>436,933</u>	<u>128,487</u>	<u>123,541</u>	<u>688,961</u>	<u>556,889</u>
Resources expended for the year include:					
Operating leases				22,300	22,300
Fees payable to auditor					
. Statutory audit				7,000	7,800
. Non statutory audit				510	960
. Other compliance				2,400	3,550

Notes to the financial statements Year to 31 August 2015

4 School's educational operations

	2015 Total funds £	2014 Total funds £
Direct costs		
Teaching and educational support staff	352,367	220,365
Agency staff	293	—
Depreciation	75,034	83,210
Technology costs	925	8,211
Educational supplies	31,297	16,931
Staff development	5,418	3,085
Educational consultancy	4,680	12,561
Other direct costs	—	45
	470,014	344,408
Allocated support staff costs		
Support staff costs	82,704	94,863
Agency staff	1,569	—
Technology costs	15,819	5,159
Catering	27,583	15,893
Recruitment and support	4,868	6,002
Maintenance of premises and equipment	16,322	17,928
Cleaning	3,677	1,383
Rent and rates	24,341	32,925
Energy costs	9,113	6,771
Insurance	6,810	7,205
Bank interest and charges	37	15
Other support costs	10,690	10,698
	203,533	198,842
	673,547	543,250

5 Governance costs

	2015 £	2014 £
Audit fees		
. Statutory audit	7,000	7,800
. Other services	2,910	4,510
Professional fees	1,300	1,329
	11,210	13,639

Notes to the financial statements Year to 31 August 2015

6 Staff

(a) Staff costs

Staff costs during the year were:

	2015 £	2014 £
Wages and salaries	355,228	266,745
Social security costs	23,621	16,150
Pension costs (Including FRS17 pension costs)	56,222	32,333
	<u>435,071</u>	<u>315,228</u>
Supply staff costs	1,862	—
	<u>436,933</u>	<u>315,228</u>

(b) Staff numbers

The average numbers of persons (including senior management team) employed by the School during the year expressed as a full time equivalents was as follows:

Charitable activities	2015	2014
Teachers	4	3
Administration and support	6	5
Management	1	1
	<u>11</u>	<u>9</u>

(c) Higher paid staff

There were no employees whose emoluments were above £60,000 during the year or the prior year.

7 Governors' remuneration and expenses

Headteacher and staff governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff and not in respect of their services as governors. Other governors did not receive any payments from the school in respect of their role as governors. The value of governors' remuneration and other benefits was as follows:

	2015 £'000	2014 £'000
Mrs G Tyler, Headteacher and Governor		
. Remuneration	45 – 50	45 – 50
. Employer's pension contributions	5 – 10	5 – 10
Mrs G Cawthorne, Staff and governor		
. Remuneration	15 – 20	15 – 20
. Employer's pension contributions	0 – 5	0 – 5

During the year ended 31 August 2015, no travel and subsistence expenses were reimbursed to the governors (2014 – none).

Other related party transactions involving the governors are set out in note 15.

Notes to the financial statements Year to 31 August 2015

8 Governors' indemnities

In accordance with normal commercial practice, the School purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on School business. The insurance provided cover up to £5m for fraud and dishonesty and £5m for employment practices on any one claim and the cost for the year was £78 (2014 – £58).

9 Taxation

The School is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

10 Tangible fixed assets

	Leasehold improvements £	Furniture, fixtures and fittings £	ICT equipment £	Total £
Cost				
At 1 September 2014	1,219,345	65,005	79,590	1,363,940
Additions	20,210	18,628	15,395	54,233
At 31 August 2015	1,239,555	83,633	94,985	1,418,173
Depreciation				
At 1 September 2014	144,613	14,848	64,458	223,919
Charge for the year	50,244	14,137	10,653	75,034
At 31 August 2015	194,857	28,985	75,111	298,953
Net book value				
At 31 August 2015	1,044,698	54,648	19,874	1,119,220
At 31 August 2014	1,074,732	50,157	15,132	1,140,021

11 Debtors

	Total 2015 £	Total 2014 £
Accrued income and prepayments	12,546	14,930
Due from London Diocesan Board for Schools	11,433	42,693
VAT recoverable	1,711	21,219
	25,690	78,842

12 Creditors: amounts falling due within one year

	Total 2015 £	Total 2014 £
Taxes and social security	10,900	7,414
Capital works creditor*	11,433	42,693
Accruals and deferred income	54,838	56,651
	77,171	106,758

* The capital works creditor relates to the claim for capital works payable to the contractors (this will be settled by London Diocesan Board for Schools on behalf of the School).

Notes to the financial statements Year to 31 August 2015

12 Creditors: amounts falling due within one year (continued)

Deferred income	2015 £'000
Deferred income at 1 September 2014	8,206
Resources deferred in the year	19,145
Amounts released from previous years	(8,206)
Deferred income at 31 August 2015	19,145

At the balance sheet date the academy trust was holding funds received in advance for capital grants, pupil premium, and universal infant free school meals relating to the 2015/16 year.

13 Funds

The income funds of the School include restricted funds comprising the following balances of grants held for specific purposes:

	At 1 September 2014 £	Incoming resources £	Resources expended £	Transfers and losses £	At 31 August 2015 £
Restricted general funds					
. General Annual Grant	—	410,136	(408,452)	(1,684)	—
. Pupil Premium	—	8,328	(8,328)	—	—
. Start Up Grants	40,020	65,715	(69,231)	—	36,504
. LA SEN grant	—	40,963	(40,963)	—	—
. Universal infant free school meals	5,000	15,514	(15,714)	—	4,800
. Other	—	44,654	(44,654)	—	—
	45,020	585,310	(587,342)	(1,684)	41,304
. Pension reserve	(9,000)	—	(11,000)	1,000	(19,000)
	36,020	585,310	(598,342)	(684)	22,304
Restricted fixed assets fund					
. DfE capital grant	1,140,021	52,549	(75,034)	—	1,117,536
. Capital expenditure from GAG	—	—	—	1,684	1,684
	1,140,021	52,549	(75,034)	1,684	1,119,220
Total restricted funds	1,176,041	637,859	(673,376)	1,000	1,141,524
Unrestricted funds					
. General funds	44,385	24,716	(15,585)	—	53,516
Total unrestricted funds	44,385	24,716	(15,585)	—	53,516
Total funds	1,220,426	662,575	(688,961)	1,000	1,195,040

Notes to the financial statements Year to 31 August 2015

13 Funds (continued)

General Annual Grant and Start Up Grants

These funds represent grants received for the school's operation activities and development.

Under the funding agreement with the Secretary of State, the school was subject to limits at 31 August 2015 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The school has not exceeded these limits during the year ended 31 August 2015.

Since the year end the school has signed an updated funding agreement with the Secretary of State, the school is now not currently subject to a limit on the amount of GAG that it can carry forward.

SEN grant

These funds are to be spent on special education needs support services.

DfE capital grant

This fund includes the DfE grant used for the building works and the purchase of ICT equipment.

14 Analysis of net assets between funds

	General funds £	Restricted funds		Total 2015 £
		Restricted general funds £	Fixed assets fund £	
Fund balances at 31 August 2015 are represented by:				
Tangible fixed assets	—	—	1,119,220	1,119,220
Current assets	53,516	107,042	11,433	171,991
Creditors: amounts falling due within one year	—	(65,738)	(11,433)	(77,171)
Pension liability	—	(19,000)	—	(19,000)
Total net assets	53,516	22,304	1,119,220	1,195,040

15 Related party transactions

Owing to the nature of the school's operations and the composition of the board of governors being drawn from local public and private sector organisations, transactions may take place with organisations in which a member of the trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

The following related party transactions took place in the period of account:

Notes to the financial statements Year to 31 August 2015

15 Related party transactions (continued)

Several of the governors are also members of The Parochial Church Council of the Parish of St Luke's West Hampstead, with whom the school transacts. A 25 year licence agreement with the Church was signed in April 2011 and amounts totalling £22,300 (2014 - £22,300) were paid in rental expenses during the year, with £1,609 (2014 - £1,609) included as a prepayment.

The London Diocesan Board of Schools (LDBS), with whom the school transacts, is a member of the Trust. The school paid LDBS or its subsidiary charity £2,373 (2014 - £5,160) in the year for support services.

At the year end £11,433 was held by LDBS on behalf of the School (2014 - £42,693) in respect of money secured to settle capital works.

Inigo Woolf, who is a member and director is also a director of Grow Education Partners Ltd, with whom the school transacts. During the year the school paid fees of £5,468 (2014 - £3,571) to Grow Education Partners Ltd for training and other support. There were no balances outstanding as at 31 August 2015 (2014 - £nil).

16 Reconciliation of net (expenditure) income to net cash inflow from operating activities

	2015 £	2014 £
Net (expenditure) income	(26,386)	43,725
Depreciation (note 10)	75,034	83,210
Capital grants from the DfE	(52,549)	(53,758)
Interest received	(290)	(244)
FRS 17 pension costs less contributions payable (note 21)	11,000	2,000
Decrease (increase) in debtors	53,152	(29,714)
(Decrease) increase in creditors	(29,587)	25,251
Net cash inflow from operating activities	30,374	70,470

17 Return on investment and servicing of finance

	2015 £	2014 £
Interest received	290	244

18 Capital expenditure and financial investment

	2015 £	2014 £
Capital expenditure		
Payments to acquire tangible fixed assets	(54,233)	(81,809)
Capital grants from the DfE	52,549	53,758
	(1,684)	(28,051)

Notes to the financial statements Year to 31 August 2015

19 Analysis of changes net funds

	At 1 September 2014 £	Cash flows £	At 31 August 2015 £
Cash at bank and in hand	117,321	28,980	146,301

20 Financial commitments

Operating leases

At 31 August 2015 the school had annual commitments under non-cancellable operating leases as follows:

	2015 £	2014 £
Land and buildings Expiring in over five years	22,300	22,300

21 Pension and similar obligations

The school's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by the London Borough of Camden. Both are defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2012 and of the LGPS 31 March 2013.

The total pension cost to the school during the year ended 31 August 2015 was £56,222 (2014 - £32,333) of which £28,291 relates to the TPS, and £16,932 relates to LGPS.

Contributions amounting to £3,657 (2014 – £1,059) were payable to the schemes at 31 August and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Notes to the financial statements Year to 31 August 2015

21 Pension and similar obligations (continued)

Teachers' Pension Scheme (continued)

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- ◆ employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- ◆ total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions)
- ◆ together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- ◆ an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- ◆ the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £28,087 (2014: £21,092).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The school has accounted for its contributions to the scheme as if it were a defined contribution scheme. The school has set out above the information available on the scheme.

Notes to the financial statements Year to 31 August 2015

21 Pension and similar obligations (continued)

Local Government Pension Scheme

The school is one of several employing bodies included in the London Borough of Camden Local Government Pension Scheme (LGPS). The LGPS is a funded defined benefit scheme, with assets held in separate trustee administered funds. Contributions to the scheme are determined by a qualified actuary on the basis of triennial valuations using the projected unit method.

The total contributions made for the year ended 31 August 2015 were £23,000 (2014 - £7,000), of which employer's contribution totalled £17,000 (2014 - £5,000) and employees' contributions totalled £6,000 (2014 - £2,000). The employer contribution rate was 14.2% of salaries until 31 March 2014. From 1 April 2014 it increased to 16.7%. The employees' rate is 5.9%.

The last full triennial valuation of the LGPS was at 31 March 2013 and the next one will be carried out with an effective date of 31 March 2016.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of school closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Principal Actuarial Assumptions	At 31 August 2015	At 31 August 2014
Rate of increase in salaries	4.6%	4.5%
Rate of increase for pensions in payment / inflation	2.7%	2.7%
Discount rate for scheme liabilities	3.8%	3.7%
Inflation assumption (CPI)	2.7%	2.7%

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	At 31 August 2015	At 31 August 2014
<i>Retiring today</i>		
Males	22.0	22.0
Females	24.4	24.4
<i>Retiring in 20 years</i>		
Males	24.3	24.3
Females	26.8	26.8

Notes to the financial statements Year to 31 August 2015

21 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

The Academy's share of the assets and liabilities in the scheme and the expected rates of return were:

	Fair value at 31 August 2015 £'000	Expected return at 31 August 2014*	Fair value at 31 August 2014 £'000
Equities	32	6.4%	14
Bonds	5	3.6%	2
Property	4	4.5%	2
Cash	—	3.3%	—
Total market value of assets	<u>41</u>		<u>18</u>
Present value of scheme liabilities	<u>(60)</u>		<u>(27)</u>
Deficit in the scheme	<u>(19)</u>		<u>(9)</u>

The actual return on scheme assets was £nil (2014 - £2,000).

No long-term expected rate of return at 31 August 2015 has been provided, as for accounting periods beginning on or after 1 January 2015, the expected return and interest cost will be replaced with a single net interest cost. This will effectively set the expected return at a level equal to the discount rate of 3.8%.

Amounts recognised in statement of financial activities	2015 £'000	2014 £'000
Analysis of pension finance income		
Interest cost	(2)	(1)
Expected return on pension scheme assets	<u>2</u>	<u>1</u>
Pension finance income	<u>—</u>	<u>—</u>

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a loss of £9,000 (2014: £10,000 loss).

Movements in the overall deficit were as follows:	2015 £'000	2014 £'000
Deficit at 1 September 2014	(9)	—
Current service cost	(28)	(7)
Employer contributions	17	5
Net finance interest	—	—
Actuarial gains (losses)	1	(7)
At 31 August 2015	<u>(19)</u>	<u>(9)</u>

Notes to the financial statements Year to 31 August 2015

21 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

Movements in the present value of defined benefit obligations were as follows:	2015 £'000	2014 £'000
Deficit at 1 September	27	11
Interest costs	2	1
Current service costs	28	7
Employee contributions	6	2
Actuarial (gain) loss	(3)	6
At 31 August	60	27

Movements in the fair value of Academy's share of scheme assets:	2015 £'000	2014 £'000
At 1 September	18	11
Expected return on assets	2	1
Employer contributions	17	5
Employee contributions	6	2
Actuarial losses	(2)	(1)
At 31 August	41	18

The estimated value of the employer contributions for the year ended 31 August 2016 is £16,000.

The three year history of experience adjustments are as follows:

	2015 £'000	2014 £'000	2013 £'000
Present value of defined benefit obligations	(60)	(27)	(11)
Fair value of share scheme assets	41	18	11
Deficit on the scheme	(19)	(9)	—
Experience adjustments on share of scheme assets			
Amount	(2)	(1)	—
Experience adjustments on scheme liabilities			
Amount	—	(1)	—